

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

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ERNESTO DARQUEA,
Plaintiff,

—against—

C. A. NO. 05-10438 WML

VIISAGE TECHNOLOGY, INC.,
BERNARD BAILEY, WILLIAM K. AULET,
and DENIS K. BERUBE,
Defendants.

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**DECLARATION OF LAURENCE D. PASKOWITZ IN SUPPORT OF MOTION
FOR APPOINTMENT OF LEAD PLAINTIFF AND LEAD COUNSEL**

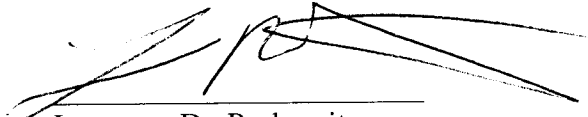
I Laurence D. Paskowitz, under penalty of perjury, Declare this 5th day of May, 2005 as follows:

1. I am an attorney at law admitted to practice in the courts of New York and the United States District Court for the Southern District of New York. I am a principal in Paskowitz & Associates, one of Movant's Walter Cohutt's counsel in this matter.
2. The qualifications of my firm are set forth in a Firm Resume, attached hereto as Exhibit A. I have over 20 years of personal experience in guiding class actions to successful conclusions, either as lead counsel co-lead counsel, or as a member of a plaintiffs; executive committee. Mr. Roy Jacobs, who over many years has served as Of Counsel to my firm in securities litigation matters, is likewise an attorney of over 20 years experience in complex class actions.
3. Annexed hereto as Exhibit B is a true copy of the Notice of Pendency of Class Action

disseminated on the Business Wire on March 8, 2005.

4. Annexed hereto as Exhibit C is a true copy of the sworn Certification by Walter Cohutt.

FURTHER DECLARANT SAYETH NOT.



Laurence D. Paskowitz

EXHIBIT A

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PASKOWITZ & ASSOCIATES

FIRM RESUME

Paskowitz & Associates specializes in class actions brought on behalf of shareholders and consumers.

Mr. Laurence Paskowitz, the firm's senior attorney, began his career at what was then Pomerantz Levy Haudek & Block (now Pomerantz Haudek Block Grossman & Gross), a firm founded by the late Abraham Pomerantz, who was often referred to as "the father of the shareholder class action." During his tenure there as an associate from 1983-89, Mr. Paskowitz played a principal role in a variety of cases involving tender offers, mergers, securities fraud, and antitrust law.

Mr. Paskowitz joined Wolf Popper Ross Wolf & Jones in 1989 (now Wolf Popper, LP), became a partner in 1991, and then Chairman of the Corporate and Commercial Litigation Department in 1995. Wolf Popper is one of the most prominent national firms specializing in shareholder and consumer rights, and complex corporate litigation. While there, Mr. Paskowitz served as lead counsel or co-lead counsel on more than two dozen shareholder actions, including class and derivative actions involving excessive compensation. Mr. Paskowitz won settlements of \$12 million derivatively on behalf of Brooke Group, Inc., a similar amount for Citizens Utilities Corp., and \$9 million for Lin Broadcasting Corp. Mr. Paskowitz also played a leading role in obtaining class action settlements in securities fraud actions against Tenneco Corp. (\$50 million settlement); McDonell Douglas Equipment Leasing Securities Litigation (\$35 million recovery); Valley National Corp. (\$10 million settlement); and Security Pacific Corp. (\$9 million settlement). From 1997-2000, Mr. Paskowitz was a sole practitioner, who

continued to specialize in shareholder litigation. During this period, he was among a team of lawyers who initiated the shareholder litigation over the collapse of USN Communications, an action which was resolved for \$45 million.

In 2000, Mr. Paskowitz formed the firm of Abraham & Paskowitz. During his tenure at that firm from 2000 through March, 2002, Mr. Paskowitz served as lead counsel for cases that achieved substantial recoveries, including *In re Netcreations Shareholder Litigation* (improvement in buyout price of \$12 million for class of investors) and *In re CSFBdirect Shareholders Litigation* (shareholders who objected to unfair tender offer price paid \$36 million more for their shares pursuant to settlement). The firm also recovered \$20 million in cash in a “short swing” insider profit case--what was then the largest cash recovery ever achieved in a case of that nature *Steiner v. Williams*, 2001 U.S. Dist. LEXIS 7097 (S.D.N.Y. May 31, 2001)(“Here the shareholders...received a \$20,000,000 benefit as a sole result of the diligence and sagacity of Plaintiff’s counsel.”).

Mr. Paskowitz graduated with highest honors from the Hofstra University School of Law in 1983, where he served as an editor of the *Hofstra Law Review*. He has published articles that have appeared in the *Hofstra Law Review* and *The New York Law Journal*, and has been a member of the New York State Bar Association Committee on Class Actions. Mr. Paskowitz has been admitted to the U.S. District Courts for the Southern and Eastern Districts of New York, the District of Arizona, and the Federal Courts of Appeals for the Second and Fifth Circuits. He has practiced before federal and state courts throughout the country, and before the Judicial Panel on Multidistrict Litigation.

Paskowitz & Associates was founded in April, 2002 and employs as “of counsel” to the firm Mr. Roy L. Jacobs, an attorney who has concentrated in shareholder litigation for over 20 years, and who has been instrumental in guiding complex litigations which have achieved millions of dollars in recoveries.

Mr. Jacobs, is a 1975 *cum laude* graduate of Brooklyn Law School. From 1975-1987 he was an attorney in Texaco Inc.’s legal department at its corporate headquarters, wherein he successfully handled a wide array complex commercial and antitrust litigation from inception through trial, including an eight week antitrust jury trial in the United States District Court for the Southern District of California, which resulted in a complete victory for Texaco.

Thereafter, while at Wolf Popper LLP, a firm which concentrated in securities and shareholder litigation, Mr. Jacobs worked on numerous complex class and derivative actions, and handled much of the Firm’s non-class litigation, representing both plaintiffs and defendants from inception through trial. While at Wolf Popper, Mr. Jacobs was one of the lead counsel in *Maywalt v. Parker & Parsley Petroleum Company*, 864 F. Supp. 1422 (S.D.N.Y. 1994), *aff’d* 67 F.3d 1072 (2d Cir. 1995), which resulted in a recovery to the shareholder class in excess of \$8 million.

In December 1996, he opened his own firm in New York City emphasizing business and commercial litigation, securities arbitrations, securities and consumer class actions and general litigation. Since opening his own practice, Mr. Jacobs has recovered millions of dollars for clients, including the settlement of an action pending in the United States District Court for the Central District of California of almost \$4 million from an insurance company which had failed to pay on a life insurance policy. The settlement

constituted approximately 2.5 times the face amount of the policy. Mr. Jacobs has also obtained numerous favorable settlements in securities arbitrations and mediations before NASD Regulation, Inc. and the New York Stock Exchange representing customers against Broker-Dealers. In court cases, Mr. Jacobs has obtained recoveries in a wide range of matters, including will contests, real property quiet title actions, EEOC actions, actions for false arrest and other intentional torts. Additionally, Mr. Jacobs has successfully defended clients sued in both state and federal court in New York, securing dismissal of the claims against them, including actions under the securities laws, fraudulent conveyance claims and piercing the corporate veil. Mr. Jacobs has handled a number of appeals in state and federal courts.

Mr. Jacobs has over 25 years experience in handling complex litigation and corporate matters. He is admitted to the courts of New York, the United States District Courts for the Southern and Eastern Districts of New York, and the United States Courts of Appeal for the Second, Seventh, Ninth, and D.C. Circuits.

Gail Bernheim, Esq. also serves as Of Counsel to Paskowitz & Associates. Ms. Bernheim graduated from Albany Law School in 1982, and since then has specialized in general and commercial litigation, including class action and derivative litigation.

Paskowitz & Associates served as lead counsel or co-lead counsel in *Steven Madden Corp. Derivative Litigation* (achieving \$8.6 million settlement in action alleging unfair employment contract for CEO who was convicted of money laundering and securities fraud); *Capital One Consumer Practices Litigation* (predatory lending practices); and played a key role in achieving a \$41 million settlement in *In re New Power Secs. Litig*, 02 CV 0550 (SDNY), where the firm represented Co-Lead Plaintiff Michael

Bertan.

In addition, Paskowitz & Associates was appointed Co-Lead Counsel by the Delaware Court of Chancery in *In re Cablevision/Rainbow Media Tracking Stock Litigation*, Cons. C.A. No. 19819, which seeks close to \$1 billion in damages relating to an unfair transaction with minority shareholders. On April 19, 2005, the Court in that action denied a motion to dismiss. In April 2005 Paskowitz & Associates was appointed as Co-Lead Counsel by the Delaware Court of Chancery in *In re Neff Shareholders Litigation*, which challenges a \$510 million corporate buyout transaction. We also serve as co-lead counsel for a class of 30,000 travel agents nationwide who assert that the airlines' complete elimination of ticket commissions was in breach of contract. In that case, *Power Travel, Int'l v. Am. Airlines, Inc.*, 02 CV 7234 (RWS), we recently preserved the claims of the class against a motion to dismiss on the ground of res judicata. *See* 2004 U.S. Dist. LEXIS 21802 (S.D.N.Y. Nov. 5, 2004).

Paskowitz & Associates also represents Metropolitan West Asset Management, LLC, a \$15 billion high yield bond manager, in seeking \$20 million in damages from an indenture trustee and an investment advisor. In that matter, we recently won an important decision expanding bondholders' rights, and denying a motion to dismiss. *Metro. W. Asset Mgmt. v. Magnus Funding, Ltd.*, 2004 U.S. Dist. LEXIS 11761 (S.D.N.Y. June 25, 2004).

EXHIBIT B

EXHIBIT B

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Press Release

Source: Paskowitz & Associates

Paskowitz & Associates Announces the Filing of a Class Action Suit on Behalf of Viisage Technology, Inc. Purchasers

Tuesday March 8, 5:30 pm ET

NEW YORK--(BUSINESS WIRE)--March 8, 2005--The law firm of Paskowitz & Associates announces that it has filed a class action suit on March 8, 2005, in the United States District Court for the District of Massachusetts on behalf of purchasers of the securities of Viisage Technology, Inc. ("Viisage" or the "Company") (Nasdaq: VISG- News) between October 25, 2004 and March 2, 2005, inclusive (the "Class Period") seeking to pursue remedies for securities fraud under the Securities Exchange Act of 1934 (the "Exchange Act"). The named defendants are Viisage; its CEO, Bernard Bailey; its CFO, William K. Aulet; and its Chairman of the Board, Denis K. Berube.

For further information you may call toll free, 800-705-9529, or contact Paskowitz & Associates by e-mail by writing to classattorney@aol.com.

The Complaint alleges that, after a prolonged period of unprofitability, Viisage was forced to borrow funds from its controlling shareholder, and was in dire need of a credit line adequate to finance its ongoing business needs. In order to secure such credit, the defendants engaged in a scheme to artificially engineer a profit in the third quarter of 2004 (ending Sept. 26, 2004), and made earnings projections known by them to be baseless and unsupportable. The third quarter profit, which was reported on October 25, 2004, was only made possible through various accounting manipulations, whereby certain assets were prematurely recognized, while certain expenses were artificially deferred from the third quarter of 2004 into the fourth quarter of 2004.

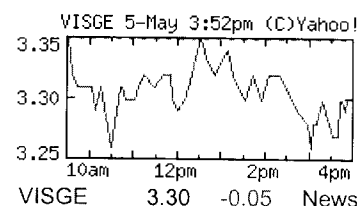
After obtaining the desired credit line, the defendants waited until February 27, 2005 to shock investors with the news of numerous fourth quarter charges and a significant asset impairment, all of which returned Viisage to substantial unprofitability. This news caused Viisage stock to drop over 20% on heavy trading. Then, on March 2, 2005, defendants again shocked the market by announcing a "material weakness" in its internal financial controls, and that "management will be unable to conclude that the Company's internal controls over financial reporting are effective as of December 31, 2004. Therefore, BDO Seidman LLP, the Company's external accounting firm, will issue an adverse opinion with respect to the effectiveness of the Company's internal controls over financial reporting." On this news, the stock dropped another 20%, closing on March 3, 2005 at \$4.50 per share, down from almost \$7 per share at the commencement of the Class Period.

If you purchased VISG securities from between October, 25, 2004 through March 2, 2005, you may qualify to serve as Lead Plaintiff on behalf of the Class. You are not required to have sold your securities in order to claim damages, or to serve in this role. All motions for appointment as Lead Plaintiff must be filed with the Court no later than May 9, 2005.

Contact:

Paskowitz & Associates
Laurence Paskowitz, Esq., 800-705-9529

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Related News Stories

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- [Viisage Awarded Contract with Essex County, Massachusetts Sheriff's Office to Assist in Criminal Identification](#) - Business Wire (Thu Apr 28)
- [Viisage Receives Nasdaq Hearing Date](#) - Business Wire (Wed Apr 27)
- [Investor Alert: May 9, 2005 is the Deadline to Join The Law Firm of Baron & Budd, P.C.'s Shareholder Class Action against Viisage Technology, Inc. -- VISGE](#) - PrimeZone Media Network (Wed Apr 27)

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EXHIBIT C

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PLAINTIFF'S CERTIFICATE

Walter D. Cohett ("Plaintiff"), declares, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the complaint against Viisage Technology, Inc. and certain other defendants.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as approved by the court.

5. Plaintiff made the following transactions during the Class Period (October 25, 2004 through March 2, 2005) in the common shares of Viisage:

Purchases			Sales		
Date(s)	Number of Shares	Price	Date(s)	Number of Shares	Price
1/27/2005	5000	7.31			
1/28/2005	5000	7.19			
1/31/2005	5000	7.18			
2/8/2005	5000	6.01			
2/9/2005	5000	6.06			
2/14/2005	5000	5.88			
2/22/2005	5000	6.13			
2/23/2005	5000	6.08			
TOTAL	40000	AVG 6.48			

6. During the three years prior to the date of this Certification, Plaintiff has not sought to serve or served as a representative party for a class in an action filed under the federal securities laws.

7. I declare under penalty of perjury, this 11 day of March, 2005 that the information above is accurate.

Walter D. Cohett